

4 August 1946

Encl. #1

TO : Acting Chief FBN and DD 136
FROM : DD 102
SUBJECT: Richard KAUFER & KLATT Files.

1. Request that the two dossiers on KLATT brought to the Washington Desk by DD 102 be pushed back to SAINT, Salzburg, for DD 102 after the desired extractions of materials pertaining to this case have been completed by the Austrian desk. One dossier contains the basic interrogation report LEX 41, and similar information reports; and the second dossier is a collection of signed statements by KLATT, office names concerning KLATT, cover documents, etc.

The following are suggestions of materials to be duplicated or extracted for permanent retention in the Washington files. Some of these additional items of information may be helpful in checking the final detailed interrogations which the British are presently conducting of KLATT at ISPET Headquarters.

2. THIS REPORT:
THIS is the cover name for intelligence information received by KLATT from a Bulgarian, SARAPOFF. A brief report on this source can be found in the KLATT file.

3. KLATT'S FINANCIAL ARRANGEMENTS WITH ANGEL:

A summary of KLATT's financial expenditures is included in rough draft form in the case files. His particular arrangements with ANGEL are summarized here, because they are significant in view of the SCI/A contact with ANGEL in the CROWN Project.

ANGEL's monthly salary from the time of his recruitment in June, 1940 until January 1941 was 800 to 800 Hungarian penges. Beginning January 1941, ANGEL received an additional 10,000 to 15,000 Bulgarian leva monthly, as living expenses because ANGEL spent about half of his time in Sofia during this period. Following the United States entry into the war, ANGEL demanded payment for his so-called organizational expenses in American dollars. KLATT stated that it appeared to him that ANGEL must have had a financial source in America, which was cut off when the United States entered in the war. Up until this time, ANGEL had never requested payment in American money. His salary beginning approximately January 1941, was \$700.00 a month, later increased to \$1200.00 and \$8,000.00 sometime in 1942. During 1943 and 1944, he received \$2700.00 monthly.

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During this period (1943 and 1944) ANOEL received living expenses amounting to \$100.00 a month but paid in pengos while in Budapest, plus 1,000 leva per diem when traveling to Bulgaria. After the capitulation of Bulgaria, his monthly living allowance was increased to \$200.00. In January 1945, ANOEL visited his headquarters from Budapest to Bratislava and demanded 207 gold Napoleons monthly (instead of payment in American dollars), plus 50,000 Slovakian crowns as a monthly living allowance while in Bratislava.

KLATT claims that Lt. TIENAN who succeeded KLATT as Chief of Luft Wafdokopf, after the latter's arrest on February 12, 1945 increased ANOEL's salary to 300 gold pieces a month.

KLATT also paid money directly to General TURKUL. In May 1945 KLATT made an agreement with RAMONOFF on behalf of TURKUL to pay the latter \$700.00 monthly for the "use" of the TURKUL Organization. KLATT states that he paid TURKUL a lump sum of \$2000.00 in the Hotel Palatinos, Budapest, upon their arrival by aircraft from Rome.

Upon ANOEL's arrest by the CIC, in May 1945, the CIC confiscated over \$700.00 in American currency, and approximately 60 gold coins. This money was returned to ANOEL after his release from prison. It is quite possible that the valuables, which ANOEL refers to in his letter to his niece, Bronislava CHRISTENKO (refer LEX 226), includes some of this money.

Included in the case dossier of KLATT are individual sheets of paper with original reports by KLATT on the present known whereabouts and permanent addresses of almost all former members of his so-called L-KK Organization.

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